

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

February 18, 2010

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and OcuSciences, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form. This then triggered a review by the Medical School's Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board and agreed to by the parties involved.

This proposed research agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Victor Elner and Howard Petty are both employees of the University of Michigan ("University") and partial owners and officers of OcuSciences, Inc. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Howard Petty, Professor of Ophthalmology and Visual Sciences and Professor of Microbiology and Immunology, and Dr. Victor Elner, Professor of Ophthalmology and Visual Sciences and Professor of Pathology, are the partial owners and officers of a for-profit company called OcuSciences, Inc. ("Company"). The Company was formed to commercialize certain devices and methods for discovering and developing new drugs and have licensed the following technologies from the University:

UM File No. 2573, entitled: "Method of Evaluating the Metabolism of the Eye"  
(Petty and Elner)

UM File No. 3881, entitled: "Applications of Ocular Flavoprotein Fluorescence"  
(Petty and Elner)

Nature of the Agreement:

The Company seeks to enter into a Research Agreement with the University for the purpose of evaluating the utility of the metabolic imaging technology of retinal flavoprotein autofluorescence (RFA) for its potential to measure metabolic

changes in retinal tissue in subjects with the geographic atrophy (GA) manifestation of age-related macular degeneration (AMD). The Company wishes to enter into a research agreement with the University to enable Dr. Grant Comer, Assistant Professor of Ophthalmology and Visual Sciences, to assist in the performance of this research.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is one (1) year and the amount of funding support is \$24,000. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Howard Petty and Victor Elner arise from their ownership interests in OcuSciences, Inc.

Impact of the Agreement:

The Agreement will support an effort by Dr. Comer, to use his expertise and his University of Michigan laboratory, well as other University resources to facilitate the generation and analysis of patient data to evaluate this promising technology.

Recommendation:

This matter has been reviewed and approved by the Medical School's Conflict of Interest Board. In light of the disclosure made in this document and our finding that the agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with OcuSciences, Inc.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

February 2010